Scenario of Hughes-Nixon Link

By Jack Anderson

Senate investigators have written, strictly for the eyes of the Watergate senators, a fascinating scenario of the Hughes-Nixon connection.

The strange saga, according to the investigators' account, reached its climax in 1970.

Early in the year, Attorney General John Mitchell brushed aside the objections of his underlings and cleared the legal obstacles for billionarie Howard Hughes to purchase the Dunes Hotel in Las Vegas.

Later the same year, Hughes aide Richard Danner delivered $100,000 in two separate $50,000 bundles to President Nixon's seaside estates at San Clemente, Calif., and Key Biscayne, Fla. The cash was accepted by the President's closest friend, Bebe Rebozo.

A former Hughes aide, Robert Maheu, has testified that the second $50,000 payment was connected with Hughes' attempt to acquire the casino-hotel. This has been disputed by the other participants in the backdoor transaction.

The Senate scenario gives this chronology:

January, 1970—Danner was dispatched to Washington to confer with Attorney General Mitchell about the Dunes acquisition. Previously, the Justice Department had refused to let Hughes buy the Stardust Hotel, because the billionaire's casino-hotel empire was too big. But Danner made a strong pitch for the Dunes.

Feb. 26—Danner flew to Washington for another meeting with the Attorney General. "Mitchell told Danner he would let the boys look it over," related the investigators.

Early March—Mitchell called his antitrust chief, Richard McLaren, to advise him that Nevada's Gov. Paul Laxalt wanted the Justice Department to let Hughes purchase the Dunes. Mitchell quoted the governor as saying "that the Dunes was hoodlum-owned and if Hughes could buy it, he could clean it up." Laxalt told investigators that he had never spoken to Mitchell about the Dunes, that the hotel was not run by the Mafia and that he would have opposed its acquisition by Hughes.

March 6—McLaren relayed Mitchell's message to the Justice Department attorney who had been handling the Hughes cases. The attorney reminded McLaren of the Stardust turndown. He added that the "job of controlling crime should be handled by the Nevada authorities, not by making exceptions to the antitrust policies." He put his objections in writing in a March 6, 1970, memorandum.

March 12—McLaren reported back to Mitchell that "the Dunes purchase would clearly violate the merger guidelines and would make the department look bad because of its prior position on the Stardust. He also suggested Nevada could act on its own against criminal figures running casinos by instituting license revoking proceedings."

March 19—Danner dropped by Mitchell's office again. The Attorney General, disregarding the warning of his subordinates, said "he could see no problem" that would prevent Hughes from buying the Dunes. The acquisition, said Mitchell, "met the guidelines." Danner immediately "communicated with Maheu and advised him that they had permission to purchase the Dunes Hotel."

March 20—Danner and Maheu flew to Key Biscayne. Sometime during the next two days, Danner met with Rebozo. But Danner denied to the investigators that the Dunes was discussed.

March 21—Mitchell also flew to Key Biscayne, although the timing may have been a coincidence.

March 26—McLaren saw an FBI memo reporting that Danner had claimed he had received permission from the Antitrust Division to purchase the Dunes. Indignant, McLaren wrote a two-page memo to Mitchell "reviewing their earlier conversations." McLaren noted in his memo his hope that Danner's boast "was an erroneous impression."

The investigators' document reported to the seven Watergate senators: "We have interviewed all of the Antitrust Division personnel, who should have reviewed the Dunes acquisition, and none of them have any recollection of seeing or hearing about the case...

"The deal finally fell through," they added, "because the Dunes owners had furnished misleading information on profit and loss figures to the Hughes people."

Meanwhile, "Danner was reminded a number of times by Rebozo," according to the Senate scenario, "that the Hughes Tool Company had not made adequate contributions to the President's campaign."

Maheu "contacted Mr. Hughes and was authorized to furnish $100,000 to President Nixon. Mr. Maheu contends that at least one payment was made in 1969, and Mr. Danner and Mr. Rebozo first indicated that a payment was made in 1969 and 1970. The latter two now insist that both payments were made in 1970...

"Mr. Rebozo has testified that he retained the funds in his safe deposit box at the Key Biscayne Bank and Trust Company," continued the investigators' account. "Mr. Rebozo stated that he removed the wrappers from around the money because the name Las Vegas appeared on the wrappers..."

Three years later, after the $100,000 cash gift had hit the headlines, Rebozo tried to persuade Danner to take the money back. When Danner refused, Rebozo finally arranged to turn it over to Hughes' attorney.

Footnote: The former Attorney General, through a spokesman, denied he had ever given Danner the go-ahead on the Dunes purchase nor, Mitchell said, did any talk of campaign contributions figure in his conversations with Danner.

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